

HUVEPHARMA ITALIA SOCIETA' A RESPONSABILITA' LIMITATA - 527368 PAGE NO. : 1

MIRA INFORM REPORT

Report No. :	527368
Report Date :	29.08.2018

IDENTIFICATION DETAILS

Name :	HUVEPHARMA ITALIA SOCIETA' A RESPONSABILITA' LIMITATA
Registered Office :	Via Roberto Lepetit 142, 12075 Garesio
Country :	Italy
Financials (as on) :	31.12.2017
Date of Incorporation :	15.12.2015
Com. Reg. No.:	MI2083102
Legal Form :	Limited liability company - SRL
Line of Business :	Subject is engaged in the manufacture of basic pharmaceutical products
No. of Employees :	141 [2017]

HUVEPHARMA ITALIA SOCIETA' A RESPONSABILITA' LIMITATA - 527368 PAGE NO. : 2

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :

A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	Slow but Correct
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Italy	A1	A1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

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ITALY - ECONOMIC OVERVIEW

Italy's economy comprises a developed industrial north, dominated by private companies, and a less-developed, highly subsidized, agricultural south, with a legacy of unemployment and underdevelopment. The Italian economy is driven in large part by the manufacture of high-quality consumer goods produced by small and medium-sized enterprises, many of them family-owned. Italy also has a sizable underground economy, which by some estimates accounts for as much as 17% of GDP. These activities are most common within the agriculture, construction, and service sectors.

Italy is the third-largest economy in the euro zone, but its exceptionally high public debt and structural impediments to growth have rendered it vulnerable to scrutiny by financial markets. Public debt has increased steadily since 2007, reaching 131% of GDP in 2017. Investor concerns about Italy and the broader euro-zone crisis eased in 2013, bringing down Italy's borrowing costs on sovereign government debt from euro-era records. The government still faces pressure from investors and European partners to sustain its efforts to address Italy's longstanding structural economic problems, including labor market inefficiencies, a sluggish judicial system, and a weak banking sector. Italy's economy returned to modest growth in late 2014 for the first time since 2011. In 2015-16, Italy's economy grew at about 1% each year, and in 2017 growth accelerated to 1.5% of GDP. In 2017, overall unemployment was 11.4%, but youth unemployment remained high at 37.1%. GDP growth is projected to slow slightly in 2018.

Source : CIA

HUVEPHARMA ITALIA SOCIETA' A RESPONSABILITA' LIMITATA - 527368 PAGE NO. : 4

COMPANY NAME

Name Huvepharma Italia Societa' A Responsabilita' Limitata

SUMMARY

Company name **Huvepharma Italia Societa' A Responsabilita' Limitata**
Operative address Via Roberto Lepetit 142
12075 Garesio
Italy
Status Active
Specification This company can meet all its obligations.
Legal form Limited liability company - SRL
Registration number Trade register number: MI2083102
VAT-number IT09320250963

Year	2017	Mutation	2016
Fixed assets	10.312.567	36,44	7.558.055
Total receivables	8.990.764	32,53	6.783.769
Total equity	18.156.557	35,04	13.445.385
Short term liabilities	25.709.456	108,34	12.340.184
Net result	4.711.170	181,23	-5.799.807
Working capital	11.430.321	9,87	10.403.052
Quick ratio	0,55	-21,43	0,70

CONTACT INFORMATION

Company name Huvepharma Italia Societa' A Responsabilita' Limitata
Operative address Via Roberto Lepetit 142
12075 Garesio
Italy
Correspondence address Via Roberto Lepetit 142
12075 Garesio
Italy

REGISTRATION

Registration number Trade register number: MI2083102
VAT-number IT09320250963
Status Active
Establishment date 2015-12-15

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HUVEPHARMA ITALIA SOCIETA' A RESPONSABILITA' LIMITATA - 527368 PAGE NO. : 5

Legal form Limited liability company - SRL
Subscribed share capital EUR 500.000

ACTIVITIES

NACE 2110: Manufacture of basic pharmaceutical products
Goal Engaged in the manufacture of basic pharmaceutical products

RELATIONS

Shareholders
Name: HUVEPHARMA EOOD
National id number: 203631745
Address: Kvartal Iztok, Nikolay Haytov, 3 A, ET 5
City: SOFIA
Country: BG
Phone: +359 28625331
Fax: +359 28625334
Website: www.huvepharma.com
Type: Corporate
Share direct: 100.00%
Turnover: 257.97557736 mil. EUR
Total assets: 355.65759322 mil. EUR
Profit loss before tax: 67.16576555 mil. EUR
Profit loss after tax net income: 60.44530289 mil. EUR
Shareholders funds: 231.73324084 mil. EUR
Number of employees: 140

MANAGEMENT

Management
Fullname: Mr Anguel Jeliakov Ivanov
Type: Individual
Gender: Male
date of birth: 1970/06/06
Age: 48
Country: Italy
Number of involvements: 1
Function: Chairman of the Board of Directors
Level of responsibility: President / Chairman
Appointment date: 2017/03/31

HUVEPHARMA ITALIA SOCIETA' A RESPONSABILITA' LIMITATA - 527368 PAGE NO. : 6

Fullname: Mr Anguel Jeliazkov Ivanov
Type: Individual
Gender: Male
date of birth: 1970/06/06
Age: 48
Country: Italy
Number of involvements: 1
Function: Adviser
Level of responsibility: Other & unspecified
Appointment date: 2017/03/31

Fullname: Mr Nicola De Risi
Type: Individual
Gender: Male
date of birth: 1952/09/30
Age: 65
Country: Italy
Number of involvements: 2
Function: Adviser
Level of responsibility: Other & unspecified
Appointment date: 2017/03/31

Fullname: Ms Maria Ilieva Terzieva
Type: Individual
Gender: Female
date of birth: 1971/10/04
Age: 46
Country: Italy
Number of involvements: 4
Function: Adviser
Level of responsibility: Other & unspecified
Appointment date: 2017/03/31

Fullname: Huvepharma Eood
Type: Individual
Number of involvements: 1
Function: Sole Partner
Level of responsibility: Unspecified executive
Appointment date: 2016/12/30

EMPLOYEES

Year	2017	2016
Annual	141	141

FINANCIAL ANALYSIS

Trend	Constant
Profitability	More than sufficient
Solvability	Sufficient
Liquidity	Sufficient
Show amount in	Euro

KEY FIGURES

Year	2017	2016
Quick ratio	0,55	0,70
Current ratio	1,44	1,84
Working capital/ balance total	0,24	0,34
Equity / balance total	0,38	0,44
Equity / Fixed assets	1,76	1,78
Working capital	11.430.321	10.403.052
Equity	18.156.557	13.445.385
Mutation equity	35,04	
Mutation short term liabilities	108,34	
Return on total assets (ROA)	14,08	-4,48
Return on equity (ROE)	36,80	-10,11
Gross profit margin	16,03	-5,20
Net profit margin	11,19	-23,26
Average collection ratio	1,64	2,02
Average payment ratio	4,68	3,68
Equity turnover ratio	2,32	1,85
Total assets turnover ratio	0,89	0,82
Fixed assets turnover ratio	4,08	3,30
Inventory conversion ratio	1,84	1,77
Turnover	42.083.974	24.930.654
Operating result	6.744.290	-1.297.510
Net result after taxes	4.711.170	-5.799.807
Cashflow	5.022.343	-5.634.752
Gross profit	17.291.798	5.043.808
EBITDA	7.055.463	-1.132.455

Summary

The 2017 financial result structure is a positive working capital of 11.430.321 euro, which is in agreement with 24 % of the total assets of the company.

The working capital has increase with 9.87 % compared to previous year. The ratio with respect to the total assets of the company has however, declined.

The improvement between 2016 and 2017 has mainly been caused by a change of the current liabilities.

HUVEPHARMA ITALIA SOCIETA' A RESPONSABILITA' LIMITATA - 527368 PAGE NO. : 8

The current ratio of the company in 2017 was 1.44. When the current ratio is below 1.5, the company may have problems meeting its short-term obligations.

The quick ratio in 2017 of the company was 0.55. A company with a Quick Ratio of less than 1 cannot currently pay back its current liabilities.

The 2016 financial result structure is a positive working capital of 10.403.052 euro, which is in agreement with 34 % of the total assets of the company.

The current ratio of the company in 2016 was 1.84. A company with a current ratio between 1.5 and 3.0 generally indicates good short-term financial strength.

The quick ratio in 2016 of the company was 0.7. A company with a Quick Ratio of less than 1 cannot currently pay back its current liabilities.

FINANCIAL STATEMENT

Auditor

Name: ERNST & YOUNG S.P.A., IN BREVE ANCHE EY S.P.A.
date: 2016-11-29
2017

Last annual account

Remark annual account

Type of annual account

Annual account

The company is obliged to file its financial statements.
Corporate

Huvepharma Italia Societa' A Responsabilita' Limitata

Via Roberto Lepetit 142

12075 Garesio

Italy

BALANCE

Year	2017	2016
End date	2017-12-31	2016-12-31
Type of annual account	Corporate	Corporate
Intangible fixed assets	1.082.112	547.077
Tangible fixed assets	9.230.455	7.010.978
Fixed assets	10.312.567	7.558.055
Total stock	22.919.084	14.050.741
Total receivables	8.990.764	6.783.769
Liquid funds	1.179.896	75.782
Other current assets	4.050.033	1.832.944
Current assets	37.139.777	22.743.236
Total assets	47.452.344	30.301.291

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HUVEPHARMA ITALIA SOCIETA' A RESPONSABILITA' LIMITATA - 527368 PAGE NO. : 9

Total equity	18.156.557	13.445.385
Provisions	2.213.252	3.277.237
Long term liabilities	1.373.079	1.238.485
Accounts payable	7.375.429	3.833.188
Liabilities towards credit institutes	13.094.149	4.646.687
Other short term liabilities	5.239.878	3.860.309
Short term liabilities	25.709.456	12.340.184
Total liabilities	47.452.344	30.301.291

Summary

The total assets of the company increased with 56.6 % between 2016 and 2017.

The fixed asset growth of 36.44 % is lower than the total asset growth.

In 2017 the assets of the company were 21.73 % composed of fixed assets and 78.27 % by current assets. The assets are being financed by an equity of 38.26 %, and total debt of 61.74 %.

In 2016 the assets of the company were 24.94 % composed of fixed assets and 75.06 % by current assets. The assets are being financed by an equity of 44.37 %, and total debt of 55.63 %.

PROFIT AND LOSS

Year	2017	2016
Revenues	27.013.259	17.566.534
Net turnover	42.083.974	24.930.654
Wages and salaries	10.206.487	6.215.952
Amorization and depreciation	311.173	165.055
Production costs	15.052.450	14.637.129
Operating result	6.744.290	-1.297.510
Financial expenses	62.595	61.452
Financial result	-62.595	-61.452
Result on ordinary operations before taxes	6.681.695	-1.358.962
Taxation on the result of ordinary activities	1.970.525	4.440.845
Result of ordinary activities after taxes	4.711.170	-5.799.807
Net result	4.711.170	-5.799.807

Summary

The turnover of the company grew with 68.8 % between 2016 and 2017.

The operating result of the company grew with 619.79 % between 2016 and 2017. This evolution implies an increase of the company's economic profitability.

The result of these changes is an increase of the company's Economic Profitability of 414.29 % of the analysed period, being equal to 14.08 in the year 2017.

This growth has contributed to the increase in assets turnover,

HUVEPHARMA ITALIA SOCIETA' A RESPONSABILITA' LIMITATA - 527368 PAGE NO. : 10

increasing by 8.54 % reaching 0.89.

The Net Result of the company increased by 181.23 % between 2016 and 2017.

The company's Financial Profitability has been negatively affected by the financial activities in comparison to the EBITs behaviour.

The result of these variations is a profitability reduction of 464 % of the analysed period, being 36.8 in the year 2017.

The company's financial structure has slowed down its financial profitability.

The company's Financial Profitability has been neutrally affected by the financial activities in comparison to the EBITs behaviour.

The result of these variations is the unchanged profitability of the analysed period, remaining unchanged at -10.11 in the year 2016.

COUNTRY INFORMATION

Population	60.7 million
GDP per capita	30507 USD
Country risk	Below average
Company risk	Low

PUBLICATIONS

Remarks	Status: Active
	Category: Large company
	Last year: 2017
	Turnover last year: 42.083.974 EUR
	Result last year: 4.711.170 EUR
	TOTAL assets last year: 47.452.344 EUR
	Number of employees: 141
	Number of shareholders: 1
	Number of subsidiaries: 0
	Number of branches: 0

HUVEPHARMA ITALIA SOCIETA' A RESPONSABILITA' LIMITATA - 527368 PAGE NO. : 11

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.17
UK Pound	1	INR 90.33
Euro	1	INR 81.93
Euro	1	INR 82.27

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	PRI
Report Prepared by :	SYL

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HUVEPHARMA ITALIA SOCIETA' A RESPONSABILITA' LIMITATA - 527368 PAGE NO. : 12

RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)